

PT 01-17

Tax Type: Property Tax
Issue: Educational Ownership/Use
Parking Lot Exemption

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
OFFICE OF ADMINISTRATIVE HEARINGS
SPRINGFIELD, ILLINOIS

LINCOLN LAND COMMUNITY)		
COLLEGE DISTRICT # 526)	A.H. Docket #	99-PT-0043
Applicant)		
)	Docket #	98-84-89
v.)		
)	Parcel Index #	22-26.4-200-018
THE DEPARTMENT OF REVENUE)		
OF THE STATE OF ILLINOIS)		

RECOMMENDATION FOR DISPOSITION

Appearances: Ms. Lorilea Buerkett, attorney at law, appeared on behalf of Lincoln Land Community College District No. 526.

Synopsis:

The hearing in this matter was held at the Willard Ice Building, 101 West Jefferson Street, Springfield, Illinois on June 21, 2000, to determine whether or not Sangamon County Parcel Index No. 22-26.4-200-018 qualified for exemption from real estate taxation for the 1998-assessment year. Sangamon County Parcel Index No. 22-26.4-200-018 is improved with a one-story building that on the first floor houses a child development center. The building also contains a partial basement. Also on that parcel are two playgrounds, and a 34-vehicle parking lot.

Mr. Eric L. Grenzebach, attorney at law, legal counsel for Lincoln Land Community

College District # 526 (hereinafter referred to as “LLCC”) and Mr. David Laubersheimer, Chairman of the Fine Arts and Education Department of LLCC were present and testified on behalf of LLCC.

The issues in this matter include: first, whether LLCC owned the parcel here in issue and the improvements thereon for real estate tax exemption purposes during the 1998- assessment year; secondly, whether part of this parcel was leased or otherwise used with a view to profit during the 1998-assessment year; and finally, whether the parking lot on this parcel was used for exempt purposes during 1998.

Following the submission of all of the evidence and a review of the record, it is determined that LLCC owned the parcel here in issue and the improvements thereon for real estate tax exemption purposes during the 1998-assessment year. It is also determined that 1,049 square feet of the first floor of the child development center, the older children’s playground, and the parking lot were leased for profit during the 1998-assessment year. Finally, it is determined that the parking lot on this parcel was not used for primarily exempt purposes during the 1998-assessment year.

It is therefore recommended that Sangamon County Parcel Index No. 22-26.4-200-018 be exempt from real estate taxation for the 1998-assessment year, except for 1,049 square feet of the first floor and a proportionate amount of land on which the child development center is located, the older children’s playground and the land on which it is located, and the parking lot and the land on which it is located.

It is further recommended that the 1,049 square feet of the first floor and a proportionate amount of land on which the child development center is located, the older children’s playground and the land on which it is located, and the parking lot and the land on which it is located shall remain on the tax rolls for the 1998-assessment year.

Findings of Fact:

1. The jurisdiction and position of the Illinois Department of Revenue (hereinafter referred to as the “Department”) in this matter was established by the admission in evidence of

Department's Exhibit Nos. 1 through 6A.

2. LLCC is a community college organized pursuant to the Public Community College Act (hereinafter referred to as the "Act"). (110 **ILCS** 805/1-1 *et seq.*)

3. LLCC acquired the parcel here in issue and other property pursuant to a quitclaim deed from the Illinois Building Authority dated September 22, 1972. (Dept. Ex. No. 2D)

4. The parcel here in issue has been a part of the LLCC campus since the campus was developed in the early 1970's. This parcel was unimproved during the 1970's and the 1980's. The aforesaid parcel was located adjacent to Shepherd Road, the main road into the LLCC campus. (Tr. p. 16)

5. During the early 1990's the LLCC Board became concerned about the old farmhouse owned by the Board which was being used as its child development center. It was determined that this house had some asbestos in it and was unsafe. There also was a lead paint problem with that house. It was determined that the farmhouse was simply not suitable to be a child development center. (Tr. pp. 17 & 37)

6. The Board of LLCC determined that the most expedient and economical way of obtaining a cutting edge child development center was to request proposals to construct the facility on a design build basis. LLCC developed the specifications for this child development center in consultation with its child development instructional staff. (Tr. pp. 17 & 18)

7. LLCC then requested proposals to construct the facility. Shepherd Road Development, Inc. (hereinafter referred to as "SRD") submitted the low bid in response to the request for proposals. (Tr. p. 19)

8. On June 1, 1994, LLCC entered into a ground lease of the parcel here in issue to SRD. LLCC leased the property to SRD as a way to finance the construction of the Center, outdoor recreational facilities, and a parking lot. The ground lease allowed SRD to encumber the subject parcel thereby allowing SRD to finance the construction of the child development center. The ground lease provided that upon completion of the improvements SRD was to sublease the improvements to LLCC. (Tr. pp. 23-26, Appl. Ex. 9)

9. The sublease of the building and the other improvements from SRD to LLCC was also dated June 1, 1994. On June 1, 1994, SRD also entered into a real estate purchase agreement with LLCC whereby SRD agreed to sell the building and other improvements to LLCC for the amount of the lease payments under the sublease from LLCC, as lessee to SRD, as lessor. The lease payments were essentially the principal cost of the building and other improvements plus interest at 8% for the 20-year lease period. The purchase agreement also provided that prior to the termination of the lease, LLCC could acquire the building by prepaying the remaining principal and interest amount that was due. (Tr. pp. 19-22, Appl. Ex. Nos. 8 & 10)

10. The rental under the ground lease was one dollar per year. The ground lease was for thirty years. If LLCC purchased the building and improvements, the ground lease would terminate because it would merge in the ownership of the property by LLCC. (Tr. p. 24)

11. Under the Act, LLCC does not have authority to finance the construction of a building such as the child development center using a conventional mortgage. In accordance with Section 3-38 of the Act, LLCC does have authority to finance the construction of such a building pursuant to a financing lease for a period not to exceed 20 years.

12. After construction of the child development center was completed during 1994 LLCC had possession of the child development center pursuant to the sublease. LLCC was also responsible for maintaining the property, and complying with day care regulations and licensing requirements. LLCC was responsible for insuring the property under the sublease. (Tr. p. 22, Appl. Ex. Nos. 2 & 8)

13. In early May 1997 the interest rate climate changed and LLCC was able to negotiate a lease financing arrangement with Magna Bank, N.A., now known as Union Planters Bank (hereinafter referred to as "Magna"). This lease financing arrangement required the payment of interest at the rate of 5½% for a period of 10 years with a balloon payment at the end of the term. (Tr. p. 27)

14. On May 17, 1997, SRD assigned its interest in the ground lease to Magna. On that same day SRD quit claimed its interest in the improvements to Magna. Also on May 17, 1997,

LLCC assigned its interest in the building as lessee under the sublease and as buyer under the purchase agreement to Magna. LLCC, as lessee, then on May 17, 1997, entered into a sublease with Magna, as lessor for the purpose of financing the improvements on the parcel. (Tr. pp. 26-29, Dept. Ex. Nos. 2F, 2G, 2H, & 2L, Appl. Ex. No. 12)

15. The sublease between Magna, as lessor and LLCC, as lessee was also a financing lease which gave LLCC possession of the child development center. LLCC under this sublease had sole responsibility for maintaining the property and complying with all day care regulations and licensing requirements. LLCC was also required to insure the property. In addition, LLCC had the right to alter or modify the building at its own cost. (Tr. p. 31, Dept. Ex. No. 2H)

16. The first floor of the child development center contains a waiting area, a room identified as an infant's room, a consultation room, a director's office, a men's restroom, a women's restroom, a teacher's lounge, a kitchen, four children's classrooms, an observation room, a gross motor skill room, and several children's bathrooms. (Appl. Ex. No. 4)

17. During 1998 the room identified as the infant's room was used as a resource library for the students attending LLCC taking courses in early childhood development. (Tr. p. 47)

18. During 1998 the basement contained two rooms. The smaller room contained the furnace and water heater as well as mechanical supplies. The larger room was primarily used for the storage of toys and supplies. The larger room was also used by the children, teachers, and LLCC students as a severe weather storm shelter. (Appl. Ex. No. 6)

19. The LLCC teachers who teach in the child development center have at least an Associate's Degree in early childhood education. Some of the other teachers have either a Bachelor or Master's degree. Each classroom area in the child development center has two teachers team teaching the children in that area. The Department of Children and Family Services (hereinafter referred to as "DCFS") which licenses day care centers only requires that a teacher have six credit hours in early childhood development. DCFS also requires that a teacher's aide, who is a person with a high school diploma, be present in each classroom. (Tr. pp. 48 & 49)

20. In order to achieve its educational goals for its early childhood curriculum, LLCC designed the childhood development center to function as the laboratory component of its child development curriculum. (Tr. p. 38)

21. The instructional areas within the childhood development center surround an observation room, equipped with video and audio tape equipment. Each of the children's instructional areas contains video cameras and microphones so that the interaction between the teachers and children can be observed and recorded. (Tr. pp. 39 & 40)

22. The observation room is glass walled. If the lights in the observation room are dimmed the windows on the outside appear to be mirrors so that LLCC students and teachers in that room can observe and hear the activities in each of the classroom areas without distracting the children. The observation room then becomes a classroom for the early childhood development students from LLCC to observe what has been discussed in their classes. (Tr. pp. 39-41)

23. The LLCC students also work in the classroom areas with the teachers and engage in interaction with the children enrolled in the child development center. (Tr. pp. 41 & 42)

24. Parents of children enrolled at the child development center are informed in advance that the child development center operates as a laboratory school, that their children will have contact with LLCC students, and that their children will be videotaped for instructional purposes. (Tr. pp. 69 & 70)

25. Parents may enroll children ages 2 through 5 or until they are ready to enter kindergarten in the child development center. Parents in the community may enroll their children in the child development center on a full time basis only. The rate for children of parents from the community is \$101.00 per week. (Tr. p. 63, Appl. Ex. No. 15)

26. Parents who attend either LLCC or the University of Illinois at Springfield (hereinafter referred to as "UIS") may enroll their children in the child development center on either a full or part time basis at discounted rates. The rate for two days per week is \$36.40 per week. The three-day rate per week is \$54.60. The weekly rate for four days is \$72.80 and the

weekly rate for all five days is \$91.00. At any particular time approximately 20 to 25% of the children in the LLCC portion of the child development center would be children of parents who are attending LLCC or UIS. (Tr. p. 63, Appl. Ex. No. 15)

27. On April 23, 1996, the board of trustees of LLCC and the board of education of Ball-Chatham Community Unit School District No. 5 (hereinafter referred to as Ball-Chatham") entered into an Intergovernmental Cooperation Agreement whereby LLCC leased approximately 1,049 square feet of the child development center to Ball-Chatham to be used for its at risk pre-kindergarten program for a rental fee of \$11,490.00 per school year. During the 1998-assessment year the area of the child development center leased to Ball-Chatham was the area identified as the gross motor skill area which contains approximately 1,049 square feet. In addition to the gross motor skill area, this Agreement also leased the older children's outdoor playground and the parking lot to Ball-Chatham. (Tr. pp. 61 & 65, App. Ex. No. 20)

28. LLCC did not participate in any way with the Ball-Chatham at risk pre-kindergarten program and no LLCC child development students observed or participated in that program. (Tr. pp. 67 & 68)

29. There is a playground for the very young children outside the child development center and also a playground for the older children. Due to the age of the children enrolled in the Ball-Chatham program they were given access to the older children's playground along with the older children enrolled in the LLCC child development program. (Tr. p. 55)

30. There are parking areas in front of and along one side of the building. These parking areas contain 32 parking spaces and two additional handicapped parking places. While the witness for the applicant stated that 13 members of the LLCC faculty teach in the building, no other evidence was offered concerning the use of the parking lot. (Tr. p. 56)

31. The intergovernmental agreement between LLCC and Ball-Chatham includes in the description of the leased premises all of the parking facilities. (Appl. Ex. No. 20)

Conclusions of Law:

Article IX, §6 of the Illinois Constitution of 1970, provides in part as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes.

This provision is not self-executing but merely authorizes the General Assembly to enact legislation that exempts property within the constitutional limitations imposed. City of Chicago v. Illinois Department of Revenue, 147 Ill.2d 484 (1992)

Concerning public community college districts 35 **ILCS** 200/15-135 provides in part as follows:

All property of public school districts or public community college districts not leased by those districts or otherwise used with a view to profit is exempt. (Emphasis supplied)

It is well settled in Illinois that when a statute purports to grant an exemption from taxation, the fundamental rule of construction is that a tax exemption provision is to be construed strictly against the one who asserts the claim of exemption. International College of Surgeons v. Brenza, 8 Ill.2d 141 (1956); Milward v. Paschen, 16 Ill.2d 302 (1959); and Cook County Collector v. National College of Education, 41 Ill.App.3d 633 (1st Dist. 1976). Whenever doubt arises, it is to be resolved against exemption, and in favor of taxation. People ex rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1944) and People ex rel. Lloyd v. University of Illinois, 357 Ill. 369 (1934). Finally, in ascertaining whether or not a property is statutorily tax exempt, the burden of establishing the right to the exemption is on the one who claims the exemption. MacMurray College v. Wright, 38 Ill.2d 272 (1967); Girl Scouts of DuPage County Council, Inc. v. Department of Revenue, 189 Ill.App.3d 858 (2nd Dist. 1989) and Board of Certified Safety Professionals v. Johnson, 112 Ill.2d 542 (1986). It is therefore very clear that the burden of proof is on the one seeking the exemption to establish that it is entitled to an exemption.

During the early 1990's the LLCC Board became concerned about the old farmhouse which was being used as the child development center because it was considered to be unsafe.

The Board determined that the most expedient and economical way of obtaining a cutting edge child development center was to request proposals to construct it on a design build basis. SRD submitted the low bid in response to LLCC's request for proposals. Pursuant to the terms of the Act under which LLCC is organized, one of the long-term methods of financing which was available was a 20-year lease purchase agreement. On June 1, 1994, LLCC entered into a ground lease of this parcel for one dollar a year for thirty years to SRD. On that same day SRD executed a sublease to LLCC of the child development center for twenty years upon completion of the child development center. Also on that date, SRD entered into an agreement to sell the building and the other improvements to LLCC for the amount of the lease payments for the full 20 years. The lease payments included a portion of the principal plus interest at 8 percent.

In May of 1997 the interest rate had dropped and LLCC was able to negotiate a lease financing arrangement with Magna Bank at 5½% interest for 10 years with a balloon payment at the end of the term. On May 17, 1997, SRD assigned its interest in the ground lease to Magna. On the same day SRD quit claimed its interest in the improvements to Magna. Also on May 17, 1997, LLCC assigned its interest in the sublease of the building as lessee and as buyer under the Purchase Agreement to Magna. On May 17, 1997, LLCC as lessee entered into a sublease with Magna as lessor for the purpose of financing the costs of construction of the improvements on this parcel. LLCC under this sublease had possession of this parcel and the improvements thereon and responsibility for maintaining the property and complying with all day care regulations and licensing requirements. LLCC was also required to insure the property. LLCC in addition had the right to alter or modify the building at its own cost.

In the case of Southern Illinois University Foundation v. Booker, 98 Ill.App.3d 1062 (5th Dist. 1981), Southern Illinois University conveyed certain land to Southern Illinois University Foundation which borrowed money from the Federal Housing Administration (hereinafter referred to as "FHA") to construct low income married student housing on the property for the use of Southern Illinois University students. This loan arrangement required the property owner to enter into a long-term loan with FHA which the University by statute was prohibited from

doing. The Court in determining that pursuant to the financing arrangement, the University was the owner of the property for real estate tax exemption purposes, stated that “The key elements of ownership are control and the right to enjoy the benefits of the property”. *Id.*, at 1069.

In this case because of the necessity of LLCC complying with the Act, I conclude that the lease purchase agreement between Magna and LLCC was an alternative financing agreement. LLCC is the party which is in control of the parcel and enjoying the benefits of said parcel and improvements. I therefore conclude that LLCC was the owner of the parcel here in issue for real estate tax exemption purposes during the 1998-assessment year.

I also conclude based on the evidence and testimony that the child development center is operated as a laboratory school by LLCC to provide the LLCC students studying child development with hands on practical experience in dealing with two to five year old children in a laboratory setting. Consequently, the child development center is a part of the LLCC educational curriculum.

Ownership is not the only criteria that the statute requires. The language exempting community college districts found at 35 **ILCS** 200/15-135 provides as follows:

All property of public school districts or public community college districts not leased by those districts or otherwise used with a view to profit is exempt. (Emphasis supplied)

This language sets forth two requirements for exemption. First, the property must be owned by the community college district and secondly, it must not be leased or otherwise used with a view to profit. I have concluded that LLCC owns this parcel for real estate tax exemption purposes. Concerning whether or not the parcel is leased or otherwise used with a view to profit, LLCC has furnished the Intergovernmental Cooperation Agreement between LLCC and Ball-Chatham. During the 1998-assessment year LLCC leased the 1,049 square foot gross motor skill area, the older children’s outdoor play area, and the parking lot to Ball-Chatham for \$11,490.00 per year. While the lease is identified as an Intergovernmental Cooperation Agreement, LLCC did not participate in any way with the Ball-Chatham at risk pre-kindergarten program and no

LLCC child development students observed or participated in that program. This agreement then was a straight lease for cash of the gross motor skill area of the child development center, the older children's playground, and the parking lot. Illinois Courts have consistently held that the use of property to produce income is not an exempt use. People ex rel. Baldwin v. Jessamine Withers Home, 312 Ill. 136 (1924). *See also* The Salvation Army v. Department of Revenue, 170 Ill.App.3d 336 (2nd Dist. 1988), leave to appeal denied. It has also been held that a lease is a lease for profit whether the lessor generates a profit or sustains a loss. *See* Turnverein "Lincoln" v. Board of Appeals, 358 Ill. 135 (1934).

The attorney for LLCC in her brief admits that 35 **ILCS** 200/15-135, is controlling in this case. The aforementioned section, based on the plain language of the statute, is an ownership exemption, which exempts all of the property owned by public school districts or public community college districts unless that property is leased or otherwise used for profit. The leasing then of portions of this parcel by LLCC to Ball-Chatham made those portions taxable to LLCC.

The attorney for LLCC contends that an educational institution or school must not only own the property for which it claims an exemption but it must also use the property for primarily educational purposes and not lease it or otherwise use it for profit. She reaches this result by citing the case of People ex rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1944), (hereinafter referred to as "Goodman") in which the Court held that the applicable statute was the general education statute, at that time found at 1943 Ill. Rev. Stat. Chapter 120, paragraph 500.1 which read in part as follows:

. . . all property of schools, including the real estate on which the schools are located and any other real estate used by such schools exclusively for school purposes, not leased by such schools or otherwise used with a view to profit; . . . (Emphasis supplied) (Goodman Id. at 370)

The Court in that case contended that the words “with a view to profit” in the aforementioned statute modifies both the word “leased” and the word “used” and consequently the mere leasing alone does not divest property of its exempt character.

The attorney for LLCC in her brief then concludes, relying on Goodman, that for property to not qualify for exemption it must not only be leased but it must be leased for profit. This argument is without merit. First of all Goodman relied on the general educational or school exemption statute which required both ownership and use for a property to be exempt. That exemption currently found at 35 **ILCS** 200/15-35 still so provides. However, the attorney for LLCC admits that the controlling statute in this case is the public school district-community college exemption statute which is found at 35 **ILCS** 200/15-135, which requires only ownership and that property “not be leased or otherwise used with a view to profit”. Therefore the Goodman case does not apply in this situation since it relies on the general education or school exemption statute which requires that property be both owned and used for school purposes, whereas the instant matter concerns the more specific public school district-community college district exemption provision.

LLCC’s attorney also relies on the case of Childrens Development Center, Inc. v. Olson, 52 Ill.2d 332 (1972), in which a religious organization leased a building to an educational institution and the Supreme Court determined that the building was not leased for profit. The religious exemption, which may be found at 35 **ILCS** 200/15-40, is a use exemption and the educational exemption, found at 35 **ILCS** 200/15-35, is an ownership and use exemption. In this case LLCC, a community college, qualifies for exemption pursuant to 35 **ILCS** 200/15-135, which is an ownership only exemption. LLCC is leasing 1,049 square feet of the child development center, the older children’s playground, and the parking lot to Ball-Chatham, a public school district, which also qualifies for exemption pursuant to 35 **ILCS** 200/15-135 which is an ownership only exemption.

In the case of The Village of Oak Park v. Rosewell, 115 Ill.App.3d 497 (1st Dist. 1983), a case with facts similar to those in this cause, the Appellate Court considered a case where the

First Presbyterian Church of Oak Park a religious organization, owned two parcels of land which it used as a parking lot on Sundays from 9 A.M. to 10 P.M. and which it leased during the rest of the week to the Village of Oak Park, which was a municipality. In that case, the Village argued, as does the applicant herein, that it relied on the decision in Children's Development Center, Inc. v. Olson *supra*, in requesting a property tax exemption. The Village contended that the church parking lot should be exempt since it was leased by a religious organization, an exempt entity, to the Village, which was also exempt.

In rejecting that argument, the Appellate Court found that the Children's Development Center, Inc. case was distinguishable and stated as follows:

The section 19.7 (charitable) exemption, like that in section 19.2 for religious institutions, turns on the primary use of the property. Unlike those provisions, the exemption provided for municipality's turns solely on ownership of the property. (Emphasis supplied) (Village of Oak Park v. Rosewell, 115 Ill.App.3d 497, 501)

The Appellate Court then went on to hold that to broaden the municipality exemption to include property only used for municipal purposes and not owned by a municipality would add a new exemption to paragraph 19.6¹. The Court refused to broaden that exemption.

The public school district-community college exemption in the Property Tax Code, like the municipality exemption found in paragraph 19.6 of the Revenue Act of 1939, requires ownership. As in Village of Oak Park, Ball-Chatham, the lessee in this case, must own the property to qualify for exemption. Since this lessee does not own this parcel it does not qualify for exemption.

Concerning the use of the older children's outdoor playground, the evidence and testimony indicates that both the children enrolled in the Ball-Chatham at risk pre-kindergarten program and the older children enrolled in the LLCC child development center used this playground. No evidence was offered to indicate which group of children's use was the primary

¹ Paragraph 19.6 was the section where the municipality exemption was found in the Revenue Act of 1939. Paragraph 19.6 is currently found at 35 **ILCS** 200/15-60.

use or which children's use was merely incidental. Where as here, the older children's playground as a whole was used for both exempt and nonexempt purposes, it will qualify for exemption only if the exempt use is the primary use and the nonexempt use is only incidental. Illinois Institute of Technology v. Skinner, 49 Ill.2d 59 (1971) and also MacMurray College v. Wright *supra*.

Based on the foregoing I conclude that the older children's outdoor playground does not qualify for exemption during the 1998-assessment year.

Concerning the use of the parking lot, the terms of the agreement with Ball-Chatham provided that it included the right to use the entire parking facilities on this parcel. The only testimony concerning the actual use of the parking lot by LLCC was a statement that 13 members of the LLCC faculty taught in the child development center. The record in this matter is devoid of any evidence that these 13 faculty members used this parking lot at any time. In the case of Streeterville Corp. v. Department of Revenue, 186 Ill.2d 534 (1999), the Court held that where it was established that a specific percentage of a parking structure was used for parking by persons going to an exempt hospital, that percentage of the structure would qualify for exemption. However, where as here, it cannot be determined that an identifiable portion of the property was used for exempt purposes the party seeking an exemption failed to meet its burden of proof and the parking lot will not qualify for exemption.

In addition, there is no statutory basis for exemption as the statute, 35 **ILCS** 200/15-125 provides as follows:

Parking areas, not leased or used for profit, when used as a part of a use for which an exemption is provided by this Code and owned by any school district, non-profit hospital, school, or religious or charitable institution which meets the qualifications for exemption are exempt.

As previously pointed out both the exemption for public school districts and the exemption for public community college districts are included in Section 35 **ILCS** 200/15-135. The language of those exemptions is exactly the same. However the above quoted exemption for

parking lots only provides an exemption for parking lots owned by public school districts and does not provide an exemption for parking lots owned by community college districts.

For the foregoing reasons I conclude that the 34-vehicle parking lot located on the parcel here in issue does not qualify for exemption.

Consequently, I conclude that the 1,049 square feet of the child development center and a proportionate amount of the land on which it is located, the older children's playground and the land on which it is located, and the parking lot and the land on which it is located do not qualify for exemption.

I therefore recommend that Sangamon County Parcel Index No. 22-26.4-200-018 be exempt from real estate taxation for the 1998-assessment year, except for 1,049 square feet of the first floor of the child development center and a proportionate amount of land on which the aforesaid building is located, the older children's playground and the land on which it is located, and the parking lot and the land on which it is located.

I further recommend that the 1,049 square feet of the first floor of the child development center and a proportionate amount of land on which the aforesaid building is located, the older children's playground and the land on which it is located, and the parking lot and the land on which it is located shall remain on the tax rolls for the 1998-assessment year.

Respectfully Submitted,

George H. Nafziger
Administrative Law Judge